

## Message Text

LIMITED OFFICIAL USE

PAGE 01     BRASIL 08444 011324Z

47

ACTION EB-07

INFO OCT-01 ARA-06 EA-07 ISO-00 TRSE-00 AGR-05 AGRE-00

AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 USIA-06

XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04 SIL-01 OMB-01

NSC-05 SS-15 STR-04 CEA-01 /086 W  
----- 123916

P R 011250Z OCT 76

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 8096

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMEMBASSY MANILA

LIMITED OFFICIAL USE BRASILIA 8444

MANILA PASS USDEL FUND/BANK MEETINGS

E.O. 11652: N/A

TAGS: EFIN BR

SUBJECT: BRAZIL'S TRADE DEFICIT IN AUGUST

1. ACCORDING TO PRELIMINARY FIGURES MADE AVAILABLE BY THE FINANCE MINISTRY, THE TRADE ACCOUNT WAS IN DEFICIT BY \$100 MILLION IN AUGUST, BRINGING THE CUMULATIVE DIFICIT FOR THE FIRST EIGHT MONTHS TO \$1,779 MILLION (AS COMPARED WITH \$2395 MILLION LAST YEAR SAME TIME). EXPORTS IN AUGUST AMOUNTED TO \$950 MILLION AND IMPORTS \$1,050 MILLION, CUMULATIVE EXPORTS THROUGH AUGUST CAME TO \$6,261 MILLION, UP 7.9 PERCENT OVER THE SAME PERIOD OF 1975. AND IMPORTS TO \$8,040 MILLION, DOWN 2.0 PERCENT FROM LAST YEAR.

2. COMMENT: THE AUGUST RESULTS HAVE ELIMINATED ANY POSSIBILITY OF KEEPING THE TRADE DEFICIT UNDER  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02     BRASIL 08444 011324Z

\$2.0 BILLION THIS YEAR, AS THE AUTHORITIES HAD

HOPED. IF EXPORTS AVERAGED DURING THE LAST FOUR MONTHS OF THE YEAR AT THE SAME RATE AS JULY AND AUGUST, TOTAL EXPORT EARNINGS IN 1976 WOULD REACH VERY CLOSE TO \$10.0 BILLION (\$9,965 MILLION). WE BELIEVE, HOWEVER, THAT BECAUSE OF THE DROP IN SUGAR PRICES, IN ADDITION TO THE FACT THAT AUGUST SEEMS TO HAVE BEEN A UNUSUALLY GOOD MONTH, AVERAGE EXPORTS IN THE LAST QUADRIMESTER WILL DROP A BIT FROM THE JULY-AUGUST PERIOD AND THAT EXPORT EARNINGS FOR THE YEAR WILL AMOUNT TO ABOUT 9.5 BILLION (\$8.7 BILLION IN 1974). ON THE IMPORT SIDE, THE AUGUST FIGURES DEMONSTRATE ONCE AGAIN THE RESISTANCE OF IMPORTS TO EXISTING RESTRICTIVE MEASURES, ALTHOUGH IF PETROLEUM AND WHEAT ARE EXCLUDED FROM THE TOTALS THE DECREASE IN IMPORTS WOULD BE CONSIDERABLY LARGER (PERHAPS OVER 10 PERCENT AS COMPARED TO 2 PERCENT). WE NOW ESTIMATE IMPORTS ENDING THE YEAR AT ABOUT \$12.0 BILLION, LEAVING A TRADE DEFICIT OF 2.3-2.6 BILLION. WITH A SERVICE DEFICIT PROJECTED AT \$3.8 BILLION, THE CURRENT ACCOUNT DEFICIT IS FORECAST AT OVER \$6.9 BILLION. JOHNSON

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE DATA, BALANCE OF PAYMENTS DEFICITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 01 OCT 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976BRASIL08444  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760370-0660  
**From:** BRASILIA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19761094/aaaaddmv.tel  
**Line Count:** 82  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** ElyME  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 JUL 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14 JUL 2004 by CunninFX>; APPROVED <29 SEP 2004 by ElyME>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BRAZIL'S TRADE DEFICIT IN AUGUST  
**TAGS:** EFIN, BR  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006